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THE

Livestock and Wool SITUATION

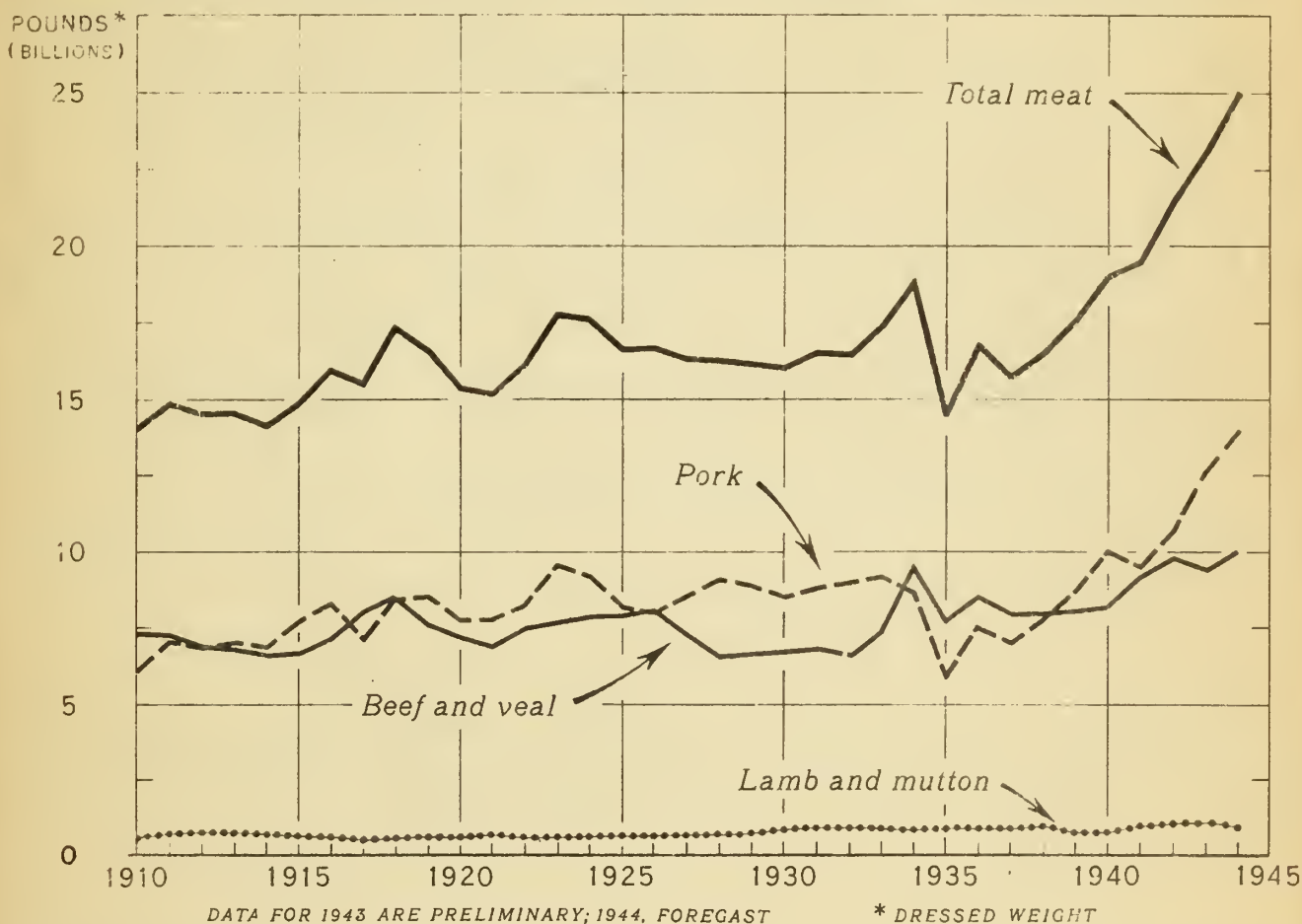
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

LWS-21

BAE

JANUARY 1944

MEAT PRODUCTION IN THE UNITED STATES, 1910-44



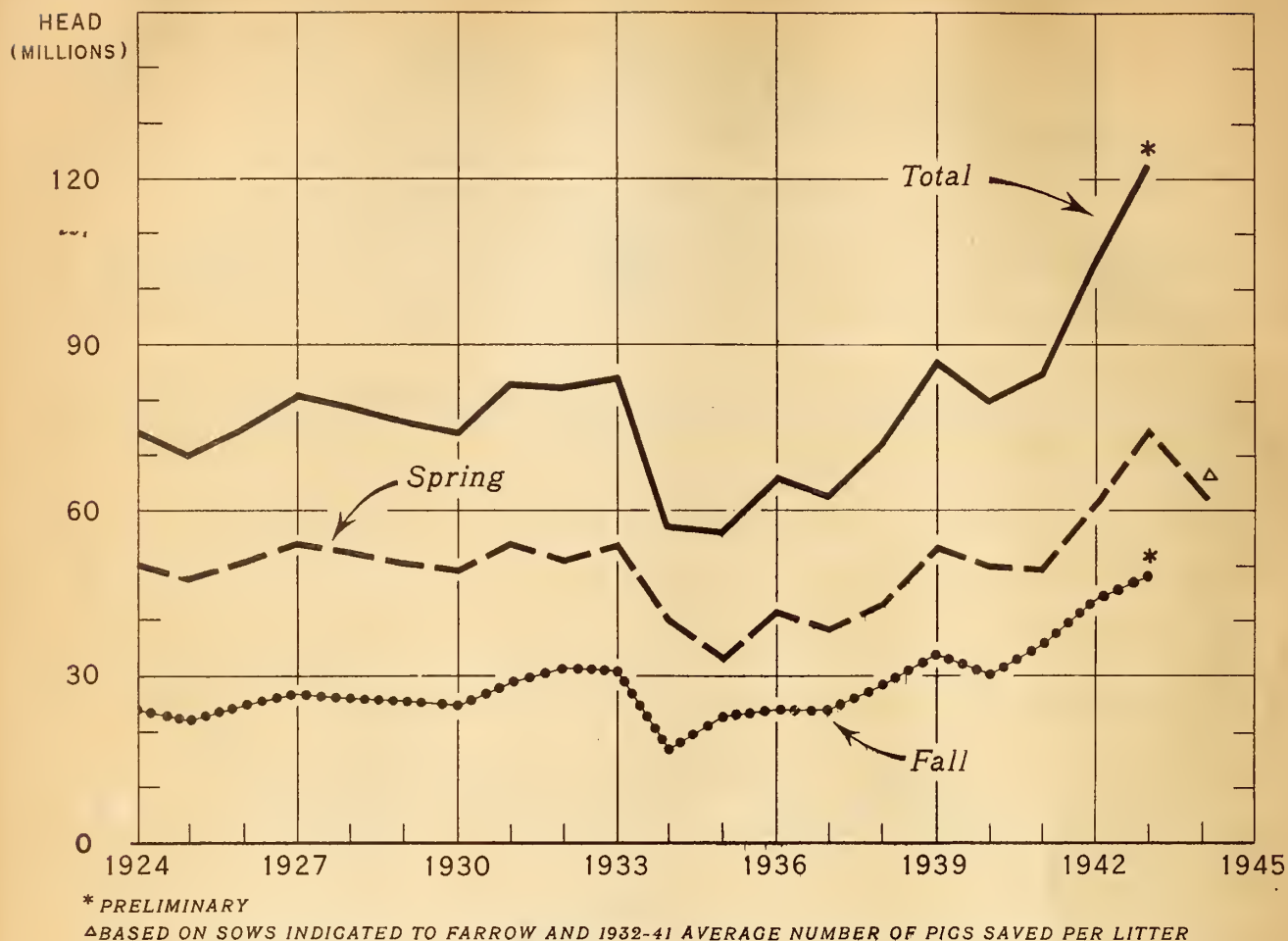
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BUREAU OF AGRICULTURAL ECONOMICS

Total meat production in 1944 is forecast at 25 billion pounds, dressed weight basis. The prospective increase over 1943 amounts to 8 percent, and will result mainly from slaughter of the record size pig crops of 1943. Beef and veal production will probably show a moderate increase. With fewer sheep on farms, output of lamb and mutton will be less.

SPRING, FALL, AND TOTAL PIG CROPS, UNITED STATES, 1924-44



U. S. DEPARTMENT OF AGRICULTURE

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FIGURE 1

The 1943 pig crop, spring and fall crops combined, totaled almost 122 million head, by far the largest annual crop ever produced. The 1944 spring pig crop will total 61.5 million head if farmers' breeding plans on December 1 are carried out and an average number of pigs is saved per litter. This would be a reduction of about 17 percent from the very large spring pig crop last year.

THE LIVESTOCK AND WOOL SITUATION

Summary

Total meat output in 1944 may reach 25 billion pounds dressed weight, an 8 percent increase over the preliminary production estimate of 23.2 billion pounds for 1943, and 16 percent more than the 21.5 billion pounds produced in 1942. The increase over 1942 was mostly pork and resulted from an increase in numbers and weights of hogs slaughtered. Beef production in 1943 appears to have been moderately lower than in 1942. Production of veal and of lamb and mutton showed slight increases.

Civilians will probably receive about the same quantity of meat per capita in 1944 as they received in 1943, if present production forecasts are borne out, and noncivilian requirements do not materially change. The increase in production is expected to be largely absorbed by noncivilian claimants. A contingency reserve, set up by War Food Administration to meet emergency requirements, could be allocated to civilians later. If the production estimate proves to be essentially correct, and the contingency reserve is not allocated for war purposes, civilians may receive more meat in 1944 than is now indicated.

The number of pigs saved in the fall season of 1943 is estimated at 47.8 million head, 10 percent greater than the previous record fall pig crop of 43.7 million head in 1942. According to farmers' breeding intentions as reported on December 1, 1943, in the spring season of 1944 10.2 million sows are expected to farrow. This would be a 16 percent decrease from the number farrowing in the spring of 1943 but the number of sows in the spring of 1944 would be greater than the number for any other year on record. Decreases in numbers of sows to farrow are likely to occur in most

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States and in all regions. If breeding intentions as reported are carried out, and if an average number of pigs is saved per litter, the 1944 spring pig crop would be about 61.5 million head, compared with 74 million pigs saved in the spring of 1943.

The total number of cattle on feed January 1, 1944 was reported to be 16 percent less than the record number on feed on that date a year earlier. The number on feed January 1, 1944 was smaller than on January 1 in either 1941 or 1942, but was larger than in any year from 1931 to 1940. The estimated 5.9 million head of sheep and lambs on feed for market on January 1, 1944 was the smallest number since 1940, and was 15 percent below the number on feed January 1, 1943.

Federally inspected hog slaughter totaled 7.6 million head in December 1943, which was 12 percent above the slaughter in December 1942. Heavy hog receipts caused serious congestion at most terminal markets in December and January which in some instances resulted in short-time embargoes on the shipment of hogs to some terminal markets. Supplies of hogs in excess of packers' slaughtering and processing capacity have made it necessary for farmers to keep many hogs on farms which normally would be sent to market. In recent weeks, hogs of market weights not covered by the price support program have been heavily discounted in price.

Cattle slaughter under Federal inspection in December 1943 was 22 percent higher than slaughter in December 1942, but was 7 percent less than slaughter in November 1943. Calf slaughter in inspected plants also was well above slaughter in December 1942. Slaughter of sheep and lambs was at a high level.

The Commodity Credit Corporation purchased approximately 223 million pounds of domestic wool in 1943 under the Government purchase program which

went into effect in April. Sales during the year amounted to about 52 million pounds, leaving unsold stocks of 171 million pounds at the end of 1943. The stocks held by the Commodity Credit Corporation were much larger than stocks of domestic wool held by dealers at the end of any recent year. Dealers' end-of-December stocks averaged 88 million pounds in the 5 years 1935-39 and were about 60 million pounds in 1941 and 1942. Some privately owned stocks were held by dealers on December 31, 1943 but the quantity probably was small. Commodity Credit Corporation stocks are offered at ceiling prices. Such prices are considerably higher than prices of comparable foreign wool. Despite a high rate of mill consumption of apparel wool, comparatively little domestic wool has been used in civilian fabrics in recent months. Domestic wools are required in most Army fabrics but production of such fabrics has been declining.

-- January 19, 1944

OUTLOOK

Meat Production to Increase in 1944

Meat production in 1944 is expected to be considerably larger than it was in 1943, reflecting the record size of the 1943 pig crop, the very large number of cattle on farms, and a less favorable feed situation than has existed in the past few years. Hog slaughter may exceed 100 million head in 1944, compared with a slaughter of about 90 million head in 1943. Cattle slaughter also is likely to be substantially larger than the 17 million head slaughtered last year. Sheep numbers have been decreasing in the past 2 years, and production of lamb and mutton will be smaller in 1944 than in 1943. Meat production in 1944 may total about 25 billion pounds, dressed weight basis.

Preliminary indications point to a total meat production in 1943 of about 23.2 billion pounds, dressed weight. This compares with 21.5 billion pounds produced in 1942. Most of the increase in 1943 was in pork. Beef production appears to have been moderately lower than in 1942. Production of veal, and lamb and mutton increased slightly.

The estimates for 1943 are necessarily tentative because complete figures are available only for federally inspected slaughter. Present indications are that total meat production in non-inspected plants and on farms in 1943 was somewhat larger than in 1942.

Table 1.- Estimated total meat production, average 1935-39,
annual 1940-44

Item	(Dressed weight)					
	Average	1940	1941	1942	1943	1944
	1935-39			1/	1/	(fore-cast)
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Pork	7,337	9,958	9,447	10,642	12,690	14,000
Beef	2/ 6,937	7,182	8,092	8,675	8,240	8,800
Veal	1,037	978	1,029	1,107	1,160	1,200
Lamb and mutton:	871	877	925	1,036	1,070	1,000
Total	2/16,182	18,995	19,493	21,460	23,160	25,000

1/ Preliminary; subject to revision when more complete data on non-federally inspected slaughter are available.

2/ Includes Government slaughter in 1935.

During the first 9 months of the year hog slaughter will come largely from the 1943 pig crop, which totaled 121.8 million head. Allowing for death losses, hog slaughter from October through December 1943; and some reduction in the size of the breeding herd (in line with the December 1, 1943 intentions of farmers to have fewer sows for farrow next spring than last), hog slaughter from January through September 1944 would exceed all previous records. However, with a reduction in the size of the spring pig crop in prospect, the number of hogs marketed in the period October-December 1944 may be less than the number slaughtered in the corresponding period of 1943. Hogs slaughtered in 1944 probably will average somewhat lighter in weight than in 1943.

Cattle and calf slaughter in recent weeks has been running at a considerably higher level than a year ago. Marketings are expected to continue relatively large throughout the winter, as a result of the record number of cattle now on farms and the larger number of short-fed cattle that will be marketed in that period. Prospects for cattle slaughter after the winter season are less certain. Pasture and range conditions during the spring and summer, and the outlook for cattle prices will be important factors affecting the rate of slaughter. Poor pasture and range would induce heavy cattle marketings. A prospect for a decline in cattle prices probably would also lead to an increase in marketings. On the other hand, if feed supplies are adequate and the prospect continues favorable for high cattle prices, cattlemen may tend to maintain cattle numbers at the present high levels.

The number of sheep and lambs on farms January 1, 1944 apparently was again reduced from a year earlier. With fewer breeding sheep on farms, the lamb crop is likely to be smaller this year than last. Even if some further liquidation of ewes occurs this year, total slaughter of sheep and lambs is likely to be less than in 1943.

Civilian Meat Supply in 1944 to be
About the Same as in 1943

Civilians are expected to receive approximately the same amount of meat per capita in 1944 as they received in 1943. The increase in production

over 1943 is likely to be absorbed by military, lend-lease, and foreign relief requirements. A contingency reserve also is provided. If the production estimate of 25 billion pounds proves to be essentially correct, and the contingency reserve is not used for war purposes, civilians may receive somewhat more meat per capita than is now indicated.

Civilian per capita consumption of meat in 1943 is now estimated at 131 pounds, compared with a revised estimate of 137 pounds in 1942 and the average for 1935-39 of 126 pounds. Of the total meat supply in 1943, civilians received about 70 percent. The remaining 30 percent went to military use, lend-lease, and regular exports and shipments.

In the first quarter of 1944 civilians will probably consume about as much meat as in the last quarter of 1943, when consumption was relatively large.

Record Fall Pig Crop Reported; 1944
Spring Pig Crop to be Reduced

The number of pigs saved during the fall season of 1943 (June 1 to December 1) is estimated at 47.8 million head, 10 percent larger than the 1942 fall crop of 43.7 million head. Increases in the 1943 crop over that of the previous year occurred in most States and in all geographical regions. The number of sows that farrowed in the fall of 1943 was 12 percent greater than the number farrowing in the fall of 1942. The average number of pigs saved per litter in the fall of 1943 was 6.29 in the United States as a whole and 6.36 in the Corn Belt. These compare, respectively, with 10-year averages of 6.19 and 6.31.

Table 2.- Fall pig crop, by regions, average 1931-40, 1941-43

Region	Average 1931-40	1941	1942	1943	1943 as a percentage of 1942
	Thousands	Thousands	Thousands	Thousands	Percent
<u>North Central States</u>					
East	8,463	11,467	13,132	14,535	111
West	9,050	12,362	15,362	15,754	103
Total	17,513	23,829	28,494	30,289	106
<u>Other regions</u>					
North Atlantic	752	805	1,010	1,397	138
South Atlantic	2,637	2,995	3,777	4,622	122
South Central	5,014	6,047	8,054	8,942	111
West	1,346	1,817	2,322	2,581	111
Total	9,749	11,664	15,163	17,542	116
United States, total	27,262	35,493	43,657	47,831	110

The number of sows to farrow in the spring season (December 1, 1943-June 1, 1944) is expected to be about 10.2 million head, if farmers' intentions reported on December 1, 1943, are borne out. This would be 16 percent less than the number that farrowed in the spring of 1943, but more than in the spring of any other year.

Table 3.- Sows farrowed during the spring season, by regions, average 1931-40, 1941-44

Region	Average 1931-40	1941	1942	1943	1944 1/	1944 as a per- centage of 1943
	Thous.	Thous.	Thous.	Thous.	Thous.	Pct.
<u>North Central States</u>						
East	1,886	2,120	2,467	2,954	2,580	87
West	3,780	3,706	4,679	5,983	4,956	83
Total	5,666	5,826	7,146	8,937	7,536	84
<u>Other regions</u>						
North Atlantic	125	118	144	197	181	92
South Atlantic	527	519	634	793	764	96
South Central	1,001	959	1,313	1,688	1,299	77
West	288	314	413	519	375	72
Total	1,941	1,910	2,504	3,197	2,619	82
United States, total	7,607	7,736	9,650	12,134	10,155	84

1/ Indicated December 1, 1943.

Factors which have tended to decrease breeding for spring farrow include a less favorable hog-corn price ratio in the fall and early winter of 1943 than a year earlier, difficulties encountered in marketing hogs, a scarcity of protein feeds, ceiling prices on live hogs, and announced lower support prices for hogs beginning in October 1944.

In December 1943 and in January 1944 the hog-corn price ratio became less favorable to hog producers because of an increase in the ceiling price on corn and a decline in hog prices. For December the price ratio was 12.4 (farm basis) in the North Central States. This was slightly lower than the long-time ratio (1922-41) of 12.6 for that month, and was the least favorable hog-corn relationship since December 1940.

If farmers' intentions on December 1, 1943, are borne out, and if the number of pigs saved per litter is about equal to the 10-year (1932-41) average the spring crop in 1944 would be about 61.5 million head, compared with 74 million pigs saved in the spring of 1943.

Fewer Cattle to be Fed This Winter Than Last

The total number of cattle on feed for market January 1, 1944 was reported to be 16 percent less than the record number on feed a year earlier.

Numbers on feed were reduced in all areas and practically all States, with the largest decreases in the western Corn Belt. The estimated number of cattle on feed in the 11 Corn Belt States on January 1, 1944 was 16 percent (500,000 to 600,000 head) less than the number on feed a year earlier, and also was less than in the 2 preceding years. However, there were more cattle in feed lots January 1, 1944 than on January 1 in any year from 1931 to 1940.

Cattle feeding was below last year in all of the 11 western States, except Oregon. The reduction in numbers on feed in the western States was about 130,000 head, or 11 percent. Feeding in Texas and Oklahoma was sharply reduced.

Reports from the Corn Belt States indicate that a higher proportion of cattle fed this year will be short fed. This year's reports show 46 percent of the cattle on feed were intended to be marketed before April 1, 1944, compared with 35 percent last year, 41 percent in 1942, and a 10-year (1934-43) average of 37 percent. This would indicate that the supply of fed cattle for market in the first 3 months of 1944 may be as large as or larger than a year earlier. The supply in the second quarter, however, may fall off sharply. Corn Belt States have a relatively large number of beef steers and heifers on farms not on feed. These may be put in feed lots later in the season, or may be roughed through the winter and pastured next summer.

Stocker and feeder movement of cattle into the Corn Belt States in December 1943 fell off sharply from November, and was about 27 percent less than in December 1942. Total shipments of feeder cattle into the Corn Belt from July through December 1943 were 9 percent less than for a year earlier.

Table 4.- Estimated number of cattle on feed in the Corn Belt States on January 1, 1944 as percentage of January 1, 1943

State	:Percentage of: : 1943 : Percent	State	:Percentage of: : 1943 : Percent
Ohio	88	Iowa	85
Indiana	85	Missouri	79
Illinois	86	South Dakota	75
Michigan	87	Nebraska	85
Wisconsin	95	Kansas	88
Minnesota	75	Corn Belt (weighted) ..	84

Lamb Feeding Also to be Reduced

The number of sheep and lambs on feed for market on January 1, 1944 was substantially less than a year earlier, and was the smallest total on feed in the last 4 years. The estimated number this year was 5,941,000 or 15 percent below the 6,979,000 on feed for market a year earlier.

The estimated number of sheep and lambs on feed in 11 Corn Belt States this year was 3.6 million head, or 16 percent less than last year.

The reduction in total feeding in the Corn Belt is largely due to decreased feeding of about 600,000 head in Kansas as a result of the very poor condition of wheat pastures in Kansas last fall.

The number of sheep and lambs on feed January 1, 1944 in States outside the Corn Belt was 12 percent less than in 1943 and was the smallest total for any year since 1935. Reduced numbers were on feed in all of the 11 western States except Nevada and California.

High prices of hay and feed-grains, and limited supplies of feed in some feeding areas, will probably encourage the feeding of lambs for a shorter period and to lighter weights than is usual. This will probably result in relatively heavy January and February marketings. However, the number of lambs on feed in Colorado and in the Scottsbluff area of Nebraska-Wyoming, which are usually late marketing areas, is about as large this year as last. Fewer lambs will probably be shipped into feeding areas during January, February, and March this year than in 1943 when the movement to feed lots was unusually heavy.

Livestock Feed Outlook

For the United States as a whole, precipitation in September to December 1943 was about 21 percent below normal and the lightest since 1939. The deficiency of fall moisture may affect crop yields in the Northern Great Plains, because of the usual dependence of crops grown in that area on fall moisture.

The reported condition of range, of cattle and calves, and of sheep and lambs in 17 western States was slightly below average on January 1, 1944. Feed grains and high-protein feeds are generally scarce in the range area. In the Southern Great Plains (Oklahoma and Texas) and in the Southwest (New Mexico, Arizona, and California), range conditions on January 1 were below average and the supply of other feeds was limited.

Total stocks of corn and oats on January 1, 1944 and barley on December 1, 1943, were about 15 percent less this season than last, but were slightly above the average for the preceding 5 years. Allowing for the disappearance of barley during December and grain sorghums in the period October-December, the supply of feed grains per animal unit on January 1, 1944, was about one-fifth smaller than a year earlier, and below that for each year since 1938, although slightly above the long-time (1926-40) average. Available information indicates that disappearance of high-protein feeds has been slightly larger in recent months than a year earlier.

Hay supplies have been generally adequate, except in drought areas of the Eastern and South Central States. Although shipment of hay into eastern areas has been comparatively large, it has been necessary for some livestock producers, particularly in the east, to feed more grain than is usual during the winter.

REVIEW OF RECENT DEVELOPMENTS

Record Hog Slaughter in December

Inspected hog slaughter totaled 7.6 million head in December. This was 12 percent above slaughter in December 1942, and was a record high for all months.

Heavy hog receipts caused serious market congestion at most terminal markets in December 1943 and January 1944. St. Louis National Stockyards, Peoria, and West Fargo have had several short embargoes on the shipment of hogs since December 21, 1943. In December, South St. Paul and Sioux City set up permission-to-market programs. The Chicago market was so seriously congested that the Hog Marketing Committee announced a permission-to-market plan to begin January 24.

Embargoes on the shipment of hogs to some terminal markets, and heavy receipts which have exceeded packers' capacity because of insufficient labor, have forced farmers to keep some hogs on farms which normally would have been marketed. This will result in a large January slaughter and slaughter probably will continue at a relatively high level throughout the winter and spring. The December 1 pig crop report indicated that a much larger number of hogs over 6 months old were on hand than the previous record number a year earlier.

Hog Prices Decline

The support program for butcher hogs was extended on December 23 to cover 200-to 300-pound hogs. Prices for sows and prices for butcher hogs outside of the support weight range have been heavily discounted in recent weeks.

The average cost to packers and shippers for all hogs at Chicago for the week ended January 15, 1944 was \$13.16 compared with \$13.39 a month earlier and \$14.66 for the week ended January 16, 1943. The average cost for all sows for the week ended January 15 at Chicago was \$11.89 compared with \$12.50 a month earlier and \$14.15 for the week ended January 16, 1943. The average cost of all purchases of hogs at Chicago and the average cost of barrows and gilts for 1943 was much higher than in 1942. Packers paid about the same average price for packing sows in 1943 as in 1942.

Weights of all hogs sold at Chicago were about 8 pounds heavier in 1943 than in the previous year. Barrows and gilts averaged 4 pounds heavier. The average weight of sows was about the same, but there was a larger proportion of sows to total marketings than a year earlier.

Hog Support Price Adjustments to
Continue in Force

Hog support prices as adjusted during December 1943 are to continue into the year 1944, with a few minor revisions. The War Food Administration on January 1, 1944 increased the support prices by 10 cents at Louisville, Kentucky, and Cincinnati, Ohio. Downward revisions in support prices were:

Springfield, Missouri 15 cents, Amarillo, Texas 10 cents, and certain counties in eastern New Mexico 20 cents.

Cattle and Calf Slaughter Decline;
Prices Generally Unchanged

Federally inspected cattle slaughter in December 1943 set a record for the month. The slaughter of 1.2 million head was 7 percent less than in November, but 22 percent above December 1942. Calf slaughter under Federal inspection has declined seasonally since October. Inspected slaughter of calves in December 1943 was 529,000 head, 11 percent above December 1942.

Cattle prices have fluctuated moderately since early December. Prime and Choice and Common grades of beef steers have shown slight upward trends. Prices of cows have shown considerable strength since late December when they reached the low point of the season. The average price of Good grade Corn Belt steers at Chicago sold out of first hands for slaughter in the week ended January 15, 1944 was \$14.76, compared with \$14.98 for the week ended December 18, 1943 and \$14.88 for the week ended January 16, 1943.

Sheep and Lamb Prices Advance;
Slaughter Relatively Large

Prices of slaughter lambs increased steadily from mid-November, when they reached a low for the season of \$13.06 (Chicago basis), to early January. The average price of Good and Choice lambs at Chicago for the week ended January 15 was \$15.36 compared with \$15.72 for the week ended January 16, 1943. Ewe prices also advanced after mid-November. Prices of feeder lambs at Omaha declined rapidly from the beginning of the season to mid-November. Since that time prices have strengthened somewhat, and at the end of the year feeder lambs were selling at \$11.62, compared with an early August price of \$13.70.

Federally inspected slaughter of sheep and lambs declined in November and December. December slaughter, totaling almost 2.3 million head, was 5 percent less than in November, but was the largest December slaughter on record.

Government Purchases of Meat and
Lard Continue Heavy

War Food Administration purchases of meat and lard have greatly increased in recent weeks. Lard purchases for the 5-week period ended January 1, 1944 totaled 161 million pounds. November purchases were 145 million pounds. For the 5-week period ended January 1, purchases were made of 99 million pounds of frozen meat and 132 million pounds of cured meat and fat cuts. November 1943 purchases of frozen meat were 75 million pounds, and purchases of cured pork and salted fat cuts were 38 million pounds.

War Food Administration has announced a monthly buying program for the first quarter of 1944 of 79 to 90 million pounds of frozen meat, 45 million pounds of cured pork and 79 million pounds of salted fat cuts. Additional quantities of canned meat may be purchased.

Cold Storage Stocks of Meat Large

January 1 stocks of meats in cold storage were reported at 908 million pounds, an increase of 27 percent from December 1 stocks. Average cold storage stocks (1939-43) on January 1 of all meats were 707 million pounds. Storage holdings of all types of meat and lard increased during December 1943. The percentage increases were: Beef, 22; pork, 33; lamb and mutton, 16; trimming and edible offal, 20; and lard and rendered pork fat, 23.

Lard and rendered pork fat holdings were almost 161 million pounds on January 1, or an increase of 29.8 million pounds from December 1, but 4 percent less than average January 1 stocks for the years 1939-43.

Freezer Cold Storage Space Short

Indications are that freezer space in public cold storage warehouses was about as full January 1, 1944 as a month earlier. It was reported that 89 percent of the net piling freezer space in commercial warehouses was filled on January 1, 1944. On January 1, 1943, 75 percent of this space was occupied.

The War Food Administration issued an order effective December 24, 1943, designed to alleviate the crowded condition of cold storage freezer space. The order excludes certain meat items (without specific authorization) from freezer space, and limits to 10 days the period in which certain low-valued meat offals can be held in freezer storage. Commodities excluded from freezer space are: Lard (including rendered pork fat), cured meats, tallow, oleo oil, rendered suet, bones, lungs, and horse meat. These are not excluded from cooler space (30-50 degrees).

THE WOOL SITUATION

Sales of Domestic Wool Continue Small;
Spot Foreign Wools in Demand at Boston

Purchases of domestic wool by mills continued light in December and the early part of January. Purchases consisted chiefly of medium grade wool. Small sales of choice fine territory wool were made from Commodity Credit Company stocks at Boston at ceiling prices. Sales of foreign wool continued relatively large, in line with the large mill consumption of such wools. The principal interest in recent weeks has been in spot wools or wools for nearby arrival. The prospect of the release of stockpile wools in the near future has been accompanied by conservative purchasing in overseas markets for future shipment, according to commercial reports.

Quoted prices for fine combing (staple) territory wool at Boston in the early part of January averaged \$1.19 a pound (scoured basis). Prices for all qualities sold of 3/8 blood territory combing wools averaged \$1.045 a pound. The ceiling price for fine (64s and finer) wool is \$1.18 for average to good quality and \$1.21 for choice quality. Corresponding ceiling prices for 3/8 blood wool are \$1.04 and \$1.09 a pound respectively. Spot Australian fine (64s-70s) long staple wool sold at \$1.12 a pound (scoured basis) duty paid, in early January. The average price received by farmers for wool was 40.5 cents a pound on December 15, 1943 compared with 40.7 cents a month earlier and 40.0 cents on December 15, 1942.

CCC Stocks of Domestic Wool RelativelyLarge on December 31

The Commodity Credit Corporation purchased almost 223 million pounds of domestic wool in 1943 under the Government purchase program which went into effect in April. Sales during the year amounted to 52 million pounds. Unsold stocks at the end of 1943 were almost 171 million pounds. Some privately owned stocks were held by dealers on December 31 but the quantity probably was small. The stocks held by the Commodity Credit Corporation, however, were much larger than stocks of domestic wool reported by dealers at the end of any recent year. Dealers' end-of-December stocks averaged 88 million pounds in the 5 years 1935-39, and were about 60 million pounds in 1941 and 1942.

Table 5.- Domestic wool, grease basis: Privately owned stocks held by United States dealers, December 31, 1935-42 and stocks owned by the Commodity Credit Corporation end of December 1943

Year	Privately owned	Owned by Commodity Credit Corporation
	Million pounds	Million pounds
End of December		
1935	76.9	---
1936	67.4	---
1937	134.6	---
1938	116.6	---
1939	44.1	---
Average	87.9	---
1940	35.1	---
1941	59.7	---
1942	61.8	---
1943	1/	171.0

Dealers' stocks compiled from reports of the Bureau of the Census.

Commodity Credit Corporation stocks estimated from reports of quantities appraised and sold.

1/ Not yet available.

The large quantity of wool unsold at the end of 1943 reflects the small mill consumption of domestic wool in the last half of the year when total mill consumption of apparel wool was near record levels. Commodity Credit Corporation stocks of domestic wool are offered at ceiling prices. Such prices are considerably higher than prices of comparable foreign wools and mills have used little domestic wool in civilian fabrics in recent months. The use of domestic wool is required for certain military fabrics, but production of these fabrics has been declining.

The Government purchase program for domestic wool was set up in April 1943. Under this program the Commodity Credit Corporation became the sole purchaser of domestic wools with the exception of limited direct sales to mills and the exception also of wool produced in the 19 Atlantic Coast and Cotton Belt States. Production in these 19 States is less than 2 percent of

the total United States clip. Large purchases of the 1943 clip were made by mills and dealers before the Government program went into effect. Domestic wools used by mills in 1943 were drawn chiefly from their own stocks or from privately held dealer stocks. Such stocks are now relatively small, but unless consumption is materially increased during the next few months the carry-over of unsold wools into the 1944 season will be large.

Prospects for increased consumption of domestic wool during the next several months depend chiefly on the Army purchase program for 1944. Mills are now delivering Army fabrics originally ordered for 1943. Delivery of these fabrics was deferred to permit increased production of civilian fabrics.

South American Wools Auctioned January 18;

Future Sales of Stockpile Wools

Being Planned

About 6 million pounds of South American wools were offered at auction in Boston on January 18, 1943 for the account of the Defense Supplies Corporation. The wools were chiefly medium grades. Two-thirds of the offerings were scoured and washed wools. The sale was well attended. Bids were above the prices which the Corporation had set as a minimum and practically all offerings were sold. The auction was carried out by the National Wool Marketing Corporation, which had previously acted as agent for the Defense Supplies Corporation in disposing of damaged Australian wools from the Government stockpile. The wools auctioned were not a part of the original stockpile but were wools requisitioned in this country by the Defense Supplies Corporation.

Plans are now being made for the sale of stockpile wools, as a result of the recommendations of the War Production Board, and it is likely that such wools will be offered in the near future, according to a statement made by the Secretary of Commerce. The Defense Supplies Corporation is selecting an advisory committee composed of representatives of the growers, manufacturers, dealers, and brokers to assist in determining the quantities and qualities of wool to be offered.

DISPOSAL OF GOVERNMENT WOOL STOCKS IN 1918-22

Developments in the domestic wool situation from 1939 to the present time bear a close resemblance to developments in World War I. Both periods were characterized by a high level of mill consumption; a rapid increase in prices, and Government purchase of wool to insure supplies for military requirements. Prior to United States entry into World War II, prices received by farmers for wool followed an upward course similar to that during World War I. In World War I the advance in prices was not halted until the Government purchased the entire domestic clip at fixed prices in 1918. In the present war, price ceilings were established in December 1941 and price increases were small in 1942 and 1943. (Figure 3.)

Situation in the Domestic Wool

Market in 1918

In 1918, to insure supplies of wool for military needs, the War Department took over most of the stocks of raw wool in the United States.

The stocks included wool purchased from growers when the Government took over the entire domestic clip, stocks purchased from dealers and importers in April 1918, and all wool imported after May 17, 1918, which was purchased by the War Department under an import license option. At the time of the armistice, the War Department had on hand or was obligated to accept delivery of about 525 million pounds of wool. About 100 million pounds of this consisted of Australian wool purchased from the British Government. Eventually in May 1919 the purchase of the unshipped portion of this Australian wool, amounting to about 66 million pounds, was cancelled and the War Department had, in all, about 460 million pounds to be disposed of after the end of the war. This quantity was considerably larger than the 1918 domestic production, which totaled about 300 million pounds. Mill consumption at that time, however, was well above 500 million pounds a year.

Domestic Prices Relatively High in 1918

Wool prices in the United States at the end of the first World War were considerably higher than prices at which the British Government was selling comparable wools purchased from Australia and New Zealand. This was particularly true of prices for medium grade wools. There was a great demand for such wools for military fabrics during the war years. In the United States where prices were uncontrolled during most of the war period, prices for medium wools had risen more rapidly than prices for fine wools. It was feared that domestic wool prices would decline sharply when Government stocks were offered, unless special measures were taken to support the market.

Table 6.- Wool: United States and British issue prices per pound
(clean basis) December 1918 and prices at Boston, 1919.

Period and item	Fine combing (staple) Dollars	1/2 blood combing Dollars	3/8 blood combing Dollars	1/4 blood combing Dollars
December 1918				
U. S. issue price	1/ 1.83	1.75	1.47	1.38
British issue price ...	1/ 1.41	1.32	1.05	.85
Boston market prices				
1919				
January	1.42	1.50	1.26	1.16
February	1.50	1.42	1.21	1.06
March	1.49	1.44	1.21	1.01
April	1.66	1.48	1.10	.94
May	1.68	1.59	1.18	.98
June	1.74	1.60	1.20	1.04
July 2/	1.80	1.62	1.28	1.08
August	1.88	1.76	1.37	1.12
September	1.88	1.78	1.38	1.12
October	1.88	1.76	1.27	1.12
November	1.93	1.78	1.30	1.12
December	1.97	1.79	1.35	1.12

United States and British issue prices from the National Wool Grower, January 1919. Boston market prices from the Commercial Bulletin, Boston.

1/ Fine medium staple.

2/ Government auctions were suspended from July through October, the period of active marketing of the 1919 domestic clip.

Plans for Disposal of Government Stocks

Conferences were held with the various sections of the wool trade and industry shortly after the armistice in November 1918 to develop a practical method of disposal of Government stocks. Procedure suggested at these meetings varied from unrestricted sale without minimum price limits to sale at the current high domestic prices, with complete embargo on all imports of raw and manufactured wool. The plan offered by the War Department and under which the wool was subsequently sold, provided that the wool be disposed of from time to time in prudent amounts at public auction; that the minimum prices be the British civil issue prices; and that the regulation of imports be left to the War Trade Board. The plan provided that sales could be suspended or the quantity offered could be reduced if market conditions warranted. Requests of growers for Government purchase of the 1919 clip were rejected. The plan of disposal was designed to reestablish a free wool market in the United States and, by setting British issue prices as a minimum, to restrict price declines in the domestic market. On January 8, 1919 all restrictions on the importation of wool were removed.

Wool Auctioned in 1919

The first series of Government auctions was held December 18-20, 1918 in Boston. About 17 million pounds of wool were offered at this series, and a total of 100 million pounds was to be offered within a 90-day period. After March 1919 the War Department planned to offer all that the market would absorb. Only 10.6 million pounds were sold at the first sale. Bids were considerably lower than the prices at which the War Department had been selling wool to contractors during 1918, and a considerable part of the offering was withdrawn when bids failed to meet minimum price requirements. Wool growers became alarmed at the prospect of low prices for the 1919 clip, which would come on the market in the late spring and summer, and some modification of the plan of disposal was requested. It was finally agreed that the auctions would continue under the original conditions until July 1, 1919, when the Department would suspend the sale of any wools which might compete with the domestic clip. In the spring of 1919 the domestic market became more active. Manufacturers' stocks of wool on January 1 had totaled only about 80 million pounds, and a strong demand for civilian clothing sent manufacturers into the market for wool supplies. When the auctions were suspended on July 1, 1919, Government stocks had been reduced to about 140 million pounds.

In each of the months from January through June 1919 there were two series of auction sales in Boston, and one series of sales in Philadelphia. During the 6-months period three auctions of wool stored on the Pacific Coast were held at Portland, Oregon. From December 18, 1918, when sales began, until July 1, 1919, offerings totaled 440 million pounds; 316 million pounds, or 72 percent, was sold. Prices of fine wools at Boston increased steadily during this period. Prices of medium wools were somewhat irregular, but prices of all grades were considerably higher than British civil issue prices.

Wool prices continued to advance during the 1919 selling season for the domestic clip, and the rise continued after Government auctions were

resumed in November 1919 (Table 6). Approximately 40 million pounds were sold at the auctions in November and December 1919. By the end of 1919 the Government's original stockpile of 460 million pounds had been reduced to approximately 100 million pounds.

Wool Auctions, 1920-22

Conditions in the wool market were irregular in the early months of 1920. A shortage of fine wools had developed in the latter part of 1919. Offerings of fine grade wools were cleared rapidly and prices of such wools continued to advance. Medium grades, on the other hand, were not wanted. Dealers already had large stocks of such wool, and mills were promoting fabrics made of fine wools. The Government's wool stocks totaled about 70 million pounds in the spring of 1920 and consisted chiefly of medium grades. At the March 1920 auctions, only 4 million pounds were sold from the 19 million pounds offered. The War Department then decided to restrict monthly offerings to 5 or 6 million pounds until market conditions should improve. In February 1921 auctions were suspended, but sales were resumed in May. Small offerings were made each month and the stocks were finally cleared in March 1922. In the meantime, prices had increased.

The Post-War Decline in Wool Prices

Mill consumption of wool had been at a relatively high level in 1919 and the early months of 1920. After May, consumption declined sharply and the decline in consumption was accompanied by a sharp decline in wool prices. The decline in wool prices during 1920, however, was chiefly the result of the general deflation in the United States and world commodity markets. In the case of wool, additional factors combined to make the decline in domestic prices unusually severe. These factors included the high level of wool prices compared with prices of other farm products during the war and early post-war period, and large world surplus stocks. However, the effect of the world surplus was not fully reflected in wool prices in the immediate post-war period. This was partly because of the control exercised over a considerable part of the world's supply by the British Government, which purchased the entire wool production of Australia and New Zealand until June 1920. The depressing effect of the surplus was also offset in part by the difficult shipping situation, which restricted the movement of surplus wool stocks from the Southern Hemisphere to Northern Hemisphere consuming centers during the early post-war period.

Table 7.- Stocks of wool, top and noil held by the
United States Government, 1918-22

Year and month	Wool			Wool	Wool	Total 1/ 1,000 lb.
	Greasy	Scoured	Pulled	top	noil	
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
1918						
Nov. 11						2/460,000
1919						
July 1	109,859	22,355	10,591	1,448	10	144,263
Oct. 1	106,209	17,790	8,705	1,448	---	134,152
1920						
Jan. 1	75,374	15,378	6,848	751	---	98,351
Apr. 1	50,866	12,569	5,543	50	---	69,028
July 1	44,203	11,169	5,101	---	---	60,473
Oct. 1	42,502	11,030	4,801	---	---	58,333
1921						
Jan. 1	37,607	9,444	3,954	---	---	51,005
Apr. 1	37,684	9,460	3,950	---	---	51,094
July 1	33,391	8,783	2,615	---	---	44,789
Oct. 1	29,640	7,034	1,078	---	---	37,752
1922						
Jan. 1	---	---	---	---	---	3/22,300

Compiled from reports of the Bureau of Markets, U. S. Department of
Agriculture, 1919-21.

1/ Actual weight.

2/ At the end of the war in November 1918 the War Department had on hand or was obligated to accept approximately 525 million pounds of domestic and foreign wool. Part of a purchase of Australian wool (about 66 million pounds) was cancelled. The quantity remaining for post-war disposal was approximately 460 million pounds. During the first 7 months of sales (December 1918-June 1919) 316 million pounds were sold at auction, leaving unsold stocks of 144 million pounds July 1, 1919.

3/ Stocks were estimated to total 22.3 million pounds at the beginning of 1922; the figures are not available by condition.

Livestock: Marketings and slaughter statistics, by species,
December 1943, with comparisons

Item	Unit	Jan.-Nov.			1942	1943	
		1941	1942	1943	Dec.	Nov.	Dec.
Cattle and calves -							
Number slaughtered under							
Federal inspection:							
Steers	Thous.	4,986	5,612	5,222	407	477	
Cows and heifers	"	4,494	5,310	4,870	544	764	
All cattle	"	9,941	11,365	10,526	982	1,290	1,191
Percentage cows and heifers							
are of total cattle	Pct.	45.2	46.7	46.3	55.3	59.3	
Calves	Thous.	5,004	5,284	4,680	476	625	529
Average live weight:							
Cattle	Lb.	959	953	956	956	920	
Calves	"	196	208	207	206	237	
Total dressed weight:							
Cattle	Mil. lb.	5,212	5,853	5,384	494	595	
Calves	"	550	614	537	53	81	
Shipments of feeder cattle and							
calves to eight Corn Belt							
States 1/	Thous.	2,164	2,341	2,200	223	382	162
Hogs -							
Number slaughtered under							
Federal inspection	"	40,753	47,119	55,865	6,778	6,972	7,567
Average live weight	Lb.	241	245	256	249	238	
Percentage packing sows are of							
all purchases at seven markets:	Pct.	11	13	15	8	10	9
Total production under							
Federal inspection:							
Pork	Mil. lb.	5,563	6,609	8,274	952	954	
Lard 2/	"	1,336	1,506	1,820	218	211	260
Average yield per hog:							
Pork	Lb.	136.9	140.6	148.4	140.8	137.1	
Lard 2/	"	32.9	32.0	32.6	32.2	30.3	
Storage stocks end of month:							
Pork	Mil. lb.	---	---	---	490	383	3/ 509
Lard 2/	"	---	---	---	91	131	3/ 161
Sheep and lambs -							
Number slaughtered under							
Federal inspection	Thous.	16,554	19,450	21,105	2,175	2,370	2,258
Average live weight	Lb.	88	89	91	91	90	
Total dressed weight	Mil. lb.	684	792	864	88	94	
Shipments of feeder lambs to							
eight Corn Belt States 1/	Thous.	3,560	3,778	4,100	202	558	141
Total dressed weight of live-							
stock slaughtered under							
Federal inspection	Mil. lb.	13,838	15,934	17,556	1,887	2,014	

1/ Total shipments direct and from public stockyards to Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, and Nebraska.

2/ Including rendered pork fat.

3/ Preliminary.

Livestock prices per 100 pounds (except where noted), by species,
December, 1943, with comparisons

Item	1942		Dec.		1943		
	annual:	1931-40:	1941	1942	Oct.	Nov.	Dec.
	average:	average:	Dol.	Dol.	Dol.	Dol.	Dol.
Cattle and calves -							
Beef steers sold out of first:							
hands at Chicago:							
Choice and Prime	15.19	10.69	13.42	16.09	16.05	16.04	16.21
Good	13.90	8.93	12.41	14.90	14.92	14.98	14.89
Medium	12.22	7.24	11.04	13.30	12.58	12.88	12.78
Common	10.40	5.80	9.17	10.87	10.37	10.64	10.71
All grades	13.79	8.57	12.57	14.85	15.30	15.10	14.87
Good grade cows at Chicago ..	10.90	5.37	8.69	12.63	12.02	11.77	11.50
Vealers, Good and Choice at :							
Chicago	14.48	8.21	12.84	14.56	14.59	14.36	14.15
Stocker and feeder steers at :							
Kansas City	11.75	6.11	10.46	12.24	11.36	10.97	11.29
Average price paid by :							
packers:							
All cattle	10.98	5.90	9.72	11.42	10.94	10.31	
Steers	12.61	1/	11.82	13.87	13.81	13.21	
Calves	12.07	6.31	10.38	11.97	10.78	10.65	
Hogs -							
Average market price at :							
Chicago:							
Barrows and gilts	13.69	1/	10.75	14.03	14.66	13.74	13.55
Sows	13.73	1/	9.89	13.84	14.57	13.17	12.37
All purchases	13.70	6.27	10.65	14.01	14.63	13.64	13.35
Average price paid by packers:	13.57	6.19	10.55	13.86	14.44	13.40	
Average price No. 3 Yellow :							
corn at Chicago 2/	83.3	59.1	75.9	89.4	3/106.5	3/106.5	3/115.5
Hog-corn price ratio at :							
Chicago 4/	16.4	11.1	14.0	15.7	13.7	12.8	11.6
Sheep and lambs -							
Slaughter lambs, Good and :							
Choice grade at Chicago	13.89	8.23	12.16	15.47	13.82	13.73	14.55
Feeding lambs, Good and :							
Choice grade at Omaha	---	7.01	11.25	13.12	11.81	11.35	11.65
Ewes, Good and Choice grade :							
at Chicago	6.60	3.58	6.07	7.69	5.96	5.85	6.71
Average price paid by packers:							
for sheep and lambs	11.80	7.60	10.93	12.61	10.37	10.45	
Index retail meat prices 5/ ..	108.3	76.6	95.5	114.5	112.3	112.1	112.6
Index income of industrial :							
workers 6/	187.1	73.1	153.6	218.4	248.8	249.3	

1/ Not available. 2/ Cents per bushel. 3/ Represents ceiling price. 4/ Number of bushels of corn equivalent in value to 100 pounds of live hogs. 5/ Bureau of Labor Statistics, converted to 1924-29 base. 6/ Bureau of Agricultural Economics, 1924-29 = 100. Revised March 1943.

Wool: Mill consumption and machine activity, United States,
selected periods, 1941-43

Item	Aggregate				Weekly average		
	1941		1942		Nov. 1942	Oct. 1943	Nov. 1943
	1941	1942	1942	1943	1942	1943	1943
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds	pounds	pounds
Mill consumption ^{5/}							
Grease basis ^{6/}							
Apparel wool -							
Domestic	493,934	530,341	478,351	413,086	13,038	6,287	5,490
Foreign (duty paid) ..	473,751	526,185	490,757	579,643	8,483	12,983	13,224
Total	967,685	1,056,526	969,108	992,729	21,521	19,270	18,714
Carpet wool -							
Foreign (duty free) ..	199,453	59,687	55,339	39,844	1,036	911	948
Scoured basis							
Apparel wool	509,014	560,469	514,965	552,102	11,097	10,855	10,683
Carpet wool	138,917	43,100	39,932	29,545	759	674	705
	Weekly average in hours						
Machine activity							
Hours per available machine -							
Worsted combs	86.7	88.8	89.6	82.6	80.2	84.2	78.5
Bradford	74.9	75.8	76.6	69.7	66.2	71.9	67.7
French	110.6	113.7	114.6	107.4	106.8	106.8	98.4
Worsted spindles	61.0	58.9	58.9	58.0	59.2	59.2	55.8
Woolen spindles	63.8	74.5	74.4	75.8	74.9	74.8	72.6
In woolen mills	64.3	79.0	78.9	79.9	79.1	79.2	76.5
In knitting mills ..	50.0	57.7	57.4	58.0	60.2	52.4	54.1
In carpet mills	72.0	47.1	46.9	53.8	48.8	53.6	52.8
Worsted and woolen looms ^{7/} -							
On wool fabrics ^{8/} ..	59.8	68.8	68.9	64.5	70.0	62.6	62.0
On cotton fabrics ...	9/	9/	9/	1.7	9/	1.6	---
Carpet and rug looms ^{7/}	38.6	30.1	30.5	16.0	27.8	14.9	15.4
Carpet looms -							
On blankets	9/	9/	9/	5.5	9/	6.1	5.9
On cotton fabrics ...	9/	9/	9/	29.0	9/	18.7	18.1

Compiled from reports of the Bureau of the Census,

^{1/} 51 weeks ended December 26, not strictly comparable with 1941 total which is for 52 weeks. ^{2/} January to November period covers 48 weeks in 1943 and 47 weeks in 1942. Hence, the totals are not comparable. ^{3/} 4-week period. ^{4/} 5-week period. ^{5/} Apparel wool includes all domestic wool and all duty-paid foreign wool. Carpet wool includes only foreign wool entered free of duty for the manufacture of floor coverings, press cloth, knit or felt boots or lumbermen's socks. ^{6/} Total of shorn and pulled wool. Pulled wool, grease basis, is in condition received from pulleries and is mostly washed. ^{7/} 1943 figures not strictly comparable with those of earlier years because of different method of reporting. ^{8/} Includes blended fabrics. ^{9/} Not available.

Prices per pound of wool and other textile raw materials in
the United States, selected periods, 1941-43

Item	Average			1942		1943		
	1941	1942	1943	Dec.	Oct.	Nov.	Dec.	
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Boston market -								
Territory, scoured basis -								
64s, 70s, 80s (fine) staple								
combing	108.8	119.1	117.8	119.0	116.2	117.0	117.8	
56s, (3/8 blood) combing	91.2	102.6	104.2	103.5	104.5	104.5	104.5	
46s (low 1/4 blood)	82.3	90.7	93.7	92.6	94.0	92.0	92.0	
Bright fleece, greasy -								
64s, 70s, 80s (fine) delaine ..	43.1	47.2	46.9	47.0	46.8	47.0	47.0	
56s (3/8 blood) combing	46.8	51.8	54.2	53.0	54.5	54.5	54.5	
46s (low 1/4 blood)	46.5	49.8	52.0	49.5	52.0	53.5	53.5	
Foreign wool - in bond at								
Boston 1/ -								
Sydney - scoured basis -								
64s, 70s, good combing	72.7	78.1	76.5	79.0	76.5	76.5	76.5	
Cape - scoured basis -								
12 months, combing	70.9	75.6	75.5	76.5	75.5	75.5	75.5	
Montevideo - grease basis -								
Merinos (60-64s)	40.4	43.0	41.4	43.0	41.8	41.5	40.7	
1s (56s)	38.6	42.5	41.4	42.2	41.8	41.5	40.7	
Prices received by farmers,								
grease basis, 15th of month	35.5	40.1	2/40.8	40.0	40.7	40.7	40.5	
Average prices, scoured basis 3/ -:								
10 grades, Boston	96.6	107.0	107.6	108.1	105.7	107.0	107.4	
United States farm price	86.4	97.5	100.9	98.9	100.8	100.7	100.2	
Spread	10.2	9.5	6.7	9.2	4.9	6.3	7.2	
Textile fibers:								
Wool, territory fine staple 4/ ..	108.8	119.1	117.8	119.0	116.2	117.0	117.8	
Cotton, 15/16-inch Middling 5/ ..	13.9	19.3	20.6	19.7	20.3	19.7	19.7	
Rayon yarn, 150 denier 6/	53.6	55.0	55.0	55.0	55.0	55.0	55.0	
Rayon staple fiber 7/ -								
Viscose 1-1/2 denier	25.0	25.0	25.0	25.0	25.0	25.0	25.0	
Acetate 5 denier	43.0	43.0	43.0	43.0	43.0	43.0	43.0	

Compiled from reports of the Food Distribution Administration except as otherwise noted.

1/ Before payment of duty. Compiled from The Commercial Bulletin, Boston.

2/ Unweighted 12-months' average, subject to revision.

3/ For basis of computations see February 1943 issue of The Livestock and Wool Situation.

4/ Scoured basis, Boston market.

5/ Average at 10 markets.

6/ Domestic yarn, first quality, Bureau of Labor Statistics.

7/ F.o.b. producing plants, Bureau of Labor Statistics.

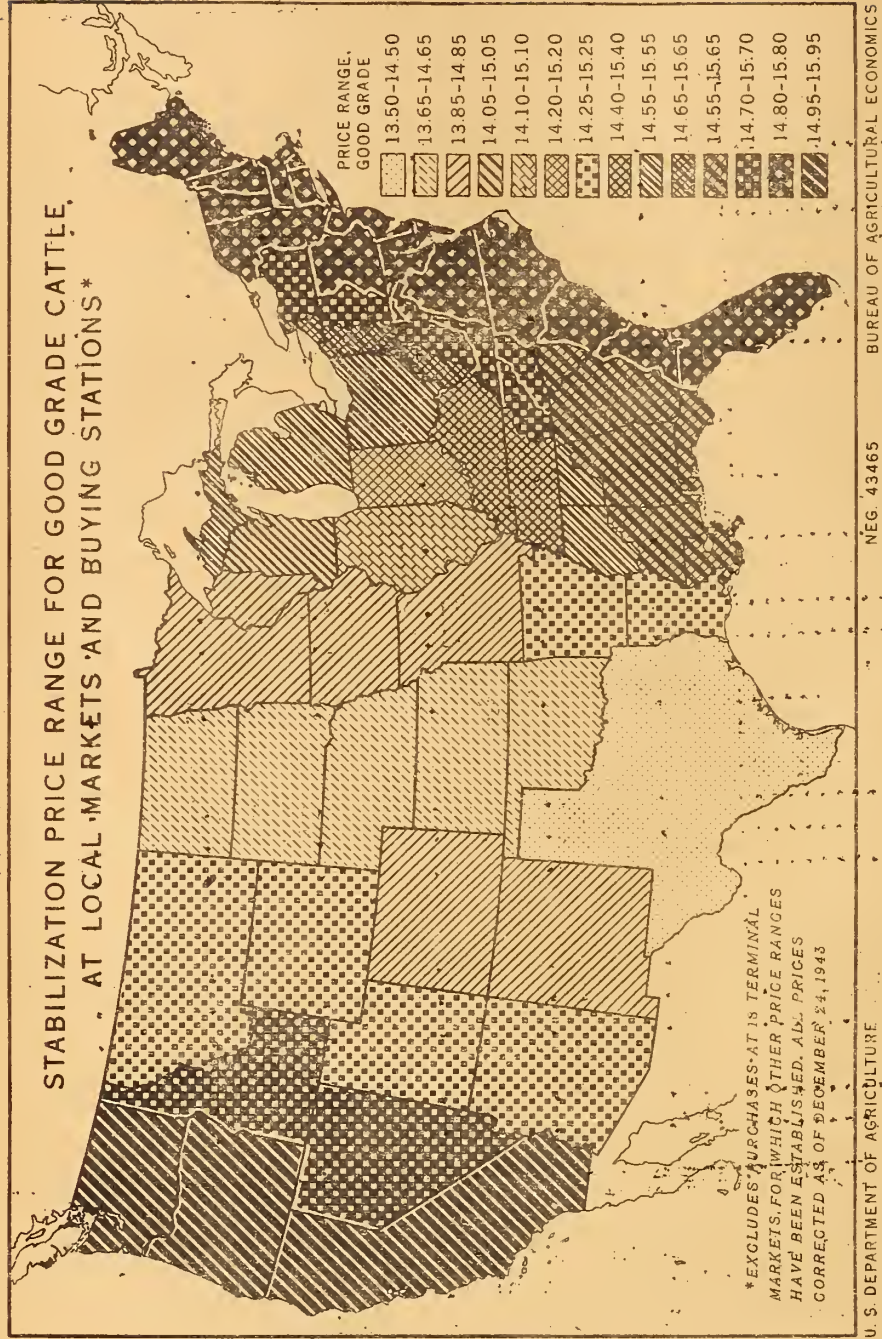
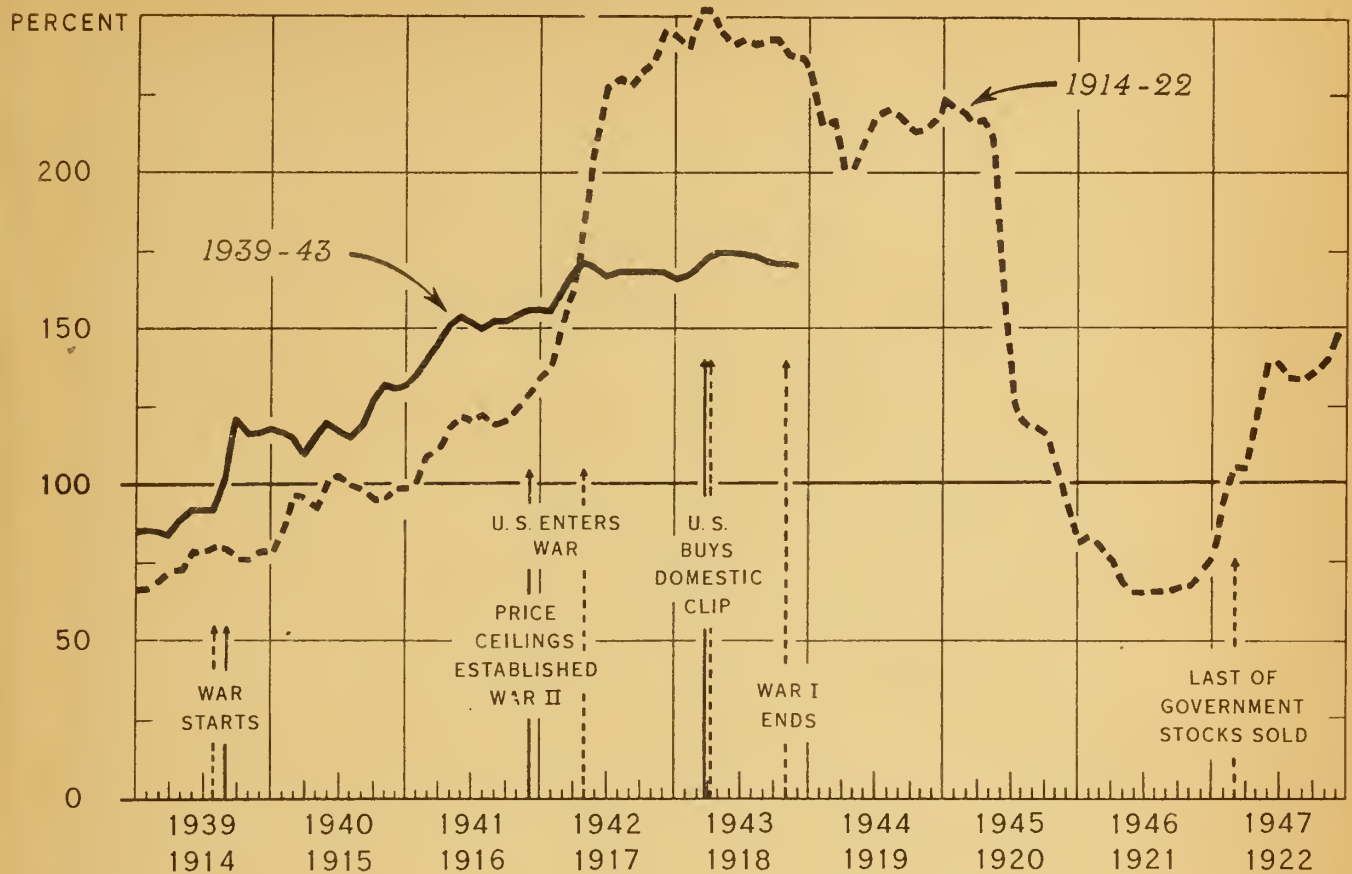


FIGURE 2

The upper and lower price limits for each grade of cattle, which have been established by regions and for 18 terminal markets, do not constitute specific ceilings or floors. Packers may pay more or less than the upper and lower limits for each grade of cattle and still qualify for their full subsidy payments, provided the average price paid for all cattle is within the limits of the overall stabilization range.

WOOL: PRICES RECEIVED BY FARMERS, UNITED STATES, 1914-22 AND 1939-43

INDEX NUMBERS (1935-39=100)



U. S. DEPARTMENT OF AGRICULTURE

NEG. 43466 BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 3

Prior to the entry of the United States into the war in December 1941, prices received by farmers for wool followed an upward course similar to that during World War I. In World War I, the advance in wool prices was not halted until the Government purchased the entire domestic clip in 1918 at fixed prices. However, after ceilings were established in December 1941, price increases were small during 1942 and 1943.

